





Who is MedAmerica?

- A recognized industry leader dedicated exclusively to providing long term care insurance coverage since 1987.
- Won the State of Tennessee competitive bid process to provide the group long-term care insurance plan for state and higher education employees in 2003
- Selected as the carrier to expand the group program to local education and government employees and their eligible family members in 2012





MedAmerica's Mission Statement



To assure security and
peace of mind through
simple, innovative long-term
care financing solutions.





The Basic Information



back to
school

- What is long-term care?
- How do you get a claim paid?
- Who is eligible?
- What are the benefits?
- Sample premiums
- How do I enroll?





Why Do People Need Long-Term Care?*

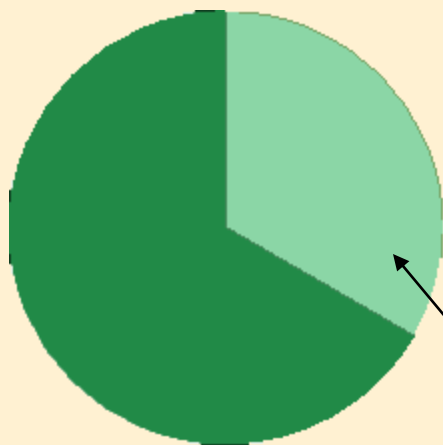
- Disabling Accident
- Illness
- Stroke
- Cognitive Impairment
- Advanced Age

* Being expected to need help for at least 90 days with at least two of our daily activities like bathing, dressing, and transferring from one place to another





How Old Are People Who Need Long-Term Care?*



- Vehicle/sporting accidents
- Brain tumor
- Lou Gehrig's (ALS)
- Early Parkinson's/Alzheimer's

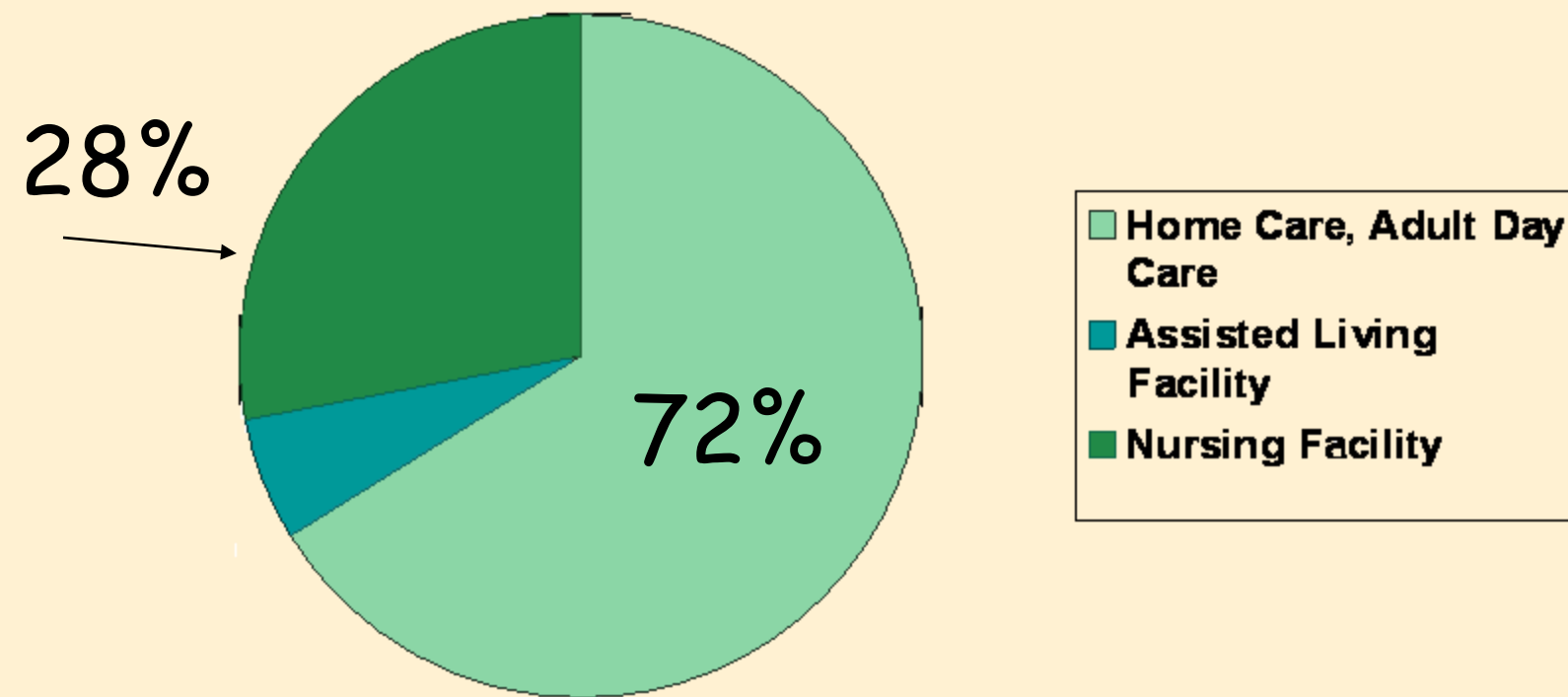
One in three Americans who need long-term care are < age 65.*

* Kaye, et al. *Health Affairs* 29:1, January 2010





Where Do People Receive Long-Term Care?



Only about a fourth of LTC services are provided in a nursing home.*

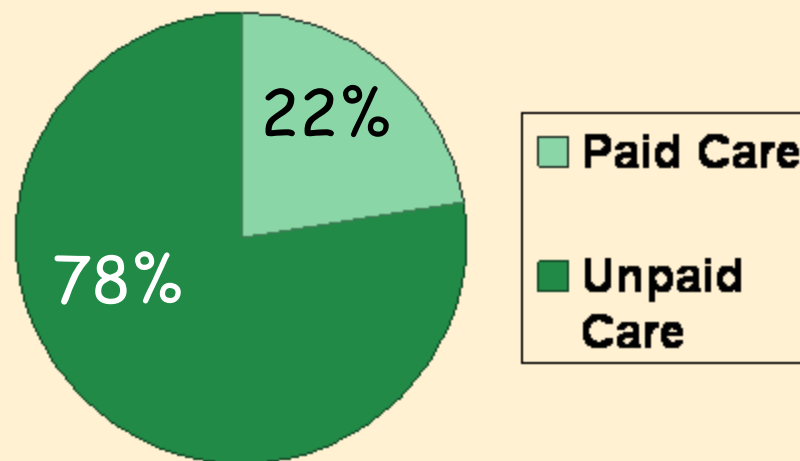
* Kaye, et al. *Health Affairs* 29:1, January 2010





Who Provides Most Long-Term Care?

- Families provide most care at home*
- Caregivers
 - sometimes have to go part-time or quit work just when income is needed most
 - get sick from not getting enough rest
 - have problems with siblings over who is going to provide care



None of us want
this for our
family.





What Are the Odds of Needing Long-Term Care?

- If you reach age 65 without having a long-term care event, your odds become greater than one in two (61%) to need extended care at some point in your life.*
- We don't see every other house on fire or every other automobile having an accident, but we all insure those risks.
- House fires and auto accidents make the news - when is the last time you heard a news report about someone needing long-term care?



*Odds for needing LTC: Kemper et al, "Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect?" *Inquiry* Vol. 42 Winter 2005/2006, p. 342





What Are the Odds of Needing Long-Term Care?

“The percentage of adult children providing personal care and/or financial assistance to a parent has more than tripled over the past 15 years and currently represents a quarter of adult children, mainly Baby Boomers.”





What Does Long-Term Care Cost in Tennessee?*

- Home Care \$18/hr

- Assisted Living \$100/day

Cost of care can range from \$3000 to \$6000 a month



Costs are expected to triple in 20 years if historical growth continues!

- Semi-private Nursing Facility \$175/day
- Private Room Nursing Facility \$200/day

- Adult Day Care \$60/day

* Agency for Research and Quality and LTCI Carrier Cost Surveys





Who Pays for Long-Term Care?

- *Not Health Insurance*
- *Not Medicare*
- *Not Medicare Advantage*
- *Not Medicare Supplements*
- *Not Disability Income*

Some Facts About Social Security

About Social Security and Medicare... *

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit www.medicare.gov or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

* As printed in the 2011 Social Security Annual Benefit Statement





Who Pays for Long-Term Care?

- *Medicaid (TennCare)*
 - Spend down assets to \$2000
 - Spouse keeps half up to \$113,660 max
 - Families can't probate a will without a letter of release from TennCare that no money is owed to pay the state back for LTC
 - Fewer options for care





Protect Your Assets with the Tennessee Long-Term Care Partnership



Tennessee Long Term Care Partnership Program

This is not the State Group Health Insurance PPO Partnership Program

- Protects assets equal to benefits paid by LTC-TN if you need to turn to the state for help provided you:
 - Bought the optional inflation benefit; and
 - Meet the functional or cognitive requirements for Medicaid (TennCare in Tennessee) to pay long-term care benefits





Protect Your Assets with the Tennessee Long-Term Care Partnership



Example:

LTC-TN benefits received \$100,000

Medicaid spend-down:

-- Without a Partnership policy \$ 2,000

-- With a Partnership policy \$102,000

- Rewards the purchase of long-term care insurance by protecting assets equal to LTCI benefits when Medicaid (TennCare in Tennessee) is accessed
- Every dollar not paid by TennCare is a dollar that can stay in the state budget for education, public works and to fund jobs for public employees.





Long-Term Care Insurance Helps the CAREGIVER



- Preserve freedom
- Preserve personal time
- Avoid unprecedented stress
- Balance work and family life





LTC-TN is LIFESTYLE INSURANCE ...

... so you can take care of your loved one without giving up your plans and dreams



The ABC's of Long Term Care Insurance





How Does Long-Term Care Insurance Work?



- How Do You Get a Claim Paid?
- Who is Eligible?
- Features and Benefit Choices
- Sample Premiums
- How to Enroll





How Does Long-Term Care Insurance Work?

How Do You Get a Claim Paid?

You must be expected to need help for at least 90 days with at least two Activities of Daily Living:



bathing



dressing



transferring



toileting



continence



eating

or Severe Cognitive Impairment





Who is Eligible?*

- Actively at work employees who meet qualifications outlined in Attachment A (see LTC-TN worksheet)
- Retirees drawing a TCRS or Optional Retirement Plan benefit
- Eligible family members
 - Spouse, dependent child 18-26, parent, parent-in-law, dependent survivor

*Includes board members and elected officials in certain situations - see Attachment A in the LTC-TN worksheet for a full description of eligibility





One-Time Opportunity

Active Employees
are Guaranteed
Acceptance
During a 60-Day*
Open Enrollment
date - date

Medical underwriting application available
outside of the Open Enrollment Period.

* New Hires = 90 days





How Do Eligible Family Members Qualify?



- Spouses, parents, in-laws and dependent children 18-26 may apply with full medical underwriting*
- Tele-underwriting call
- Medical records
- Possibly a face-to-face interview

There is no fee for the medical underwriting application.

*Eligible family members can live anywhere in the United States; they do not have to live in Tennessee to purchase coverage.





More Good News on Eligibility . . .



- Eligible dependents can apply even if the employee/retiree they are related to does not
- Minimum age 18 - No maximum age*
- Each person applies individually

*Except dependent children must apply by age 26 and may keep the coverage permanently





How Does Long-Term Care Insurance Work?

LTC-TN Has Only Three Decisions

Decision 1: DAILY BENEFIT

Which amount is right for you?

Nursing Facility/ALF

\$200

\$150

\$100

Home Care/Adult Day Care

\$120

\$ 90

\$ 60





How Does Long-Term Care Insurance Work?



LTC-TN Has Only Three Decisions

Decision 2: BENEFIT PERIOD

Used to determine your "benefit maximum"

You can select from 2 options:

- ☒ 1095 days (3 years)
- ☒ 1825 days (5 years)





How Does Long-Term Care Insurance Work?

Lifetime Benefit Maximum

High end: $\$200 \times 1,825 \text{ days (5 years)} = \$365,000$

Low end: $\$100 \times 1,095 \text{ days (3 years)} = \$109,500$

You have this amount to use for covered LTC services which will grow with inflation coverage.





How Does Long-Term Care Insurance Work?

Plan Assumptions:

- Daily Benefit: \$150
- Benefit Period: 3 years
- Maximum Lifetime Benefit: \$164,250

Scenario	Actual Facility Cost of Care	Your Plan Will Pay	Your Benefits Would Last
#1	\$150	\$150	3 years
#2	\$175	\$150	3 years
#3	\$125	\$125	3 yrs. 7 mo.
#4	\$100	\$100	4 yrs. 6 mo.





How Does Long-Term Care Insurance Work?

A three year benefit period will pay the full duration of expected care for 75% of people who use their policy.





How Does Long-Term Care Insurance Work?

LTC-TN Has Only Three Decisions

Decision 3: Inflation or Non-Inflation Coverage

With inflation protection, benefits increase

5% compounded annually for life

(This option is required to qualify for the Tennessee Long-Term Care Partnership's asset protection)

Remember,

Costs are expected to triple in 20 years





How Does Long-Term Care Insurance Work?

Waiver of Premium

Your premium stops during a claim. Your benefits continue to grow with inflation protection.





How Does Long-Term Care Insurance Work?



More LTC-TN Valuable Benefits

- Care Coordination at Claim Time
 - Respite Care
 - Alternate Care
- Homemaker Services
 - Bed Reservation
 - Hospice





How Does Long-Term Care Insurance Work?

One-Time Deductible*

Your benefits start 90 calendar days
after benefit certification

No Charges Required!

*Does not apply to hospice or respite care benefits





How Much Does Long-Term Care Insurance Cost?

SAMPLE MONTHLY PREMIUMS - 3 Year Benefit Period

No Inflation - Benefits Never Grow
(does not include 10% spouse discount)

Age	<u>\$100</u>	<u>\$150</u>	<u>\$200</u>
35	\$ 7.67	\$ 11.49	\$ 15.33
45	\$ 15.74	\$ 23.61	\$ 31.47
55	\$ 32.68	\$ 49.04	\$ 65.38
65	\$ 73.46	\$110.19	\$146.91





How Much Does Long-Term Care Insurance Cost?

SAMPLE MONTHLY PREMIUMS - 3 Year Benefit Period

5% Compound Inflation - Qualifies for TN Partnership
(does not include 10% spouse discount)

Age	<u>\$100</u>	<u>\$150</u>	<u>\$200</u>
35	\$ 43.13	\$ 64.70	\$ 86.27
45	\$ 64.75	\$ 97.14	\$129.52
55	\$ 99.48	\$149.21	\$198.95
65	\$164.32	\$246.48	\$328.64





Quick Payback



Premium

$$\begin{array}{r} \$89.53 \\ \times 12 \\ \hline \$1,074 \\ \times 30 \\ \hline \$32,230 \end{array}$$

Benefit in 30 Years

$$\begin{array}{l} \$400 \text{ per day} \times 1,095 \text{ days} \\ = \\ \$438,000 \text{ benefit pool} \end{array}$$

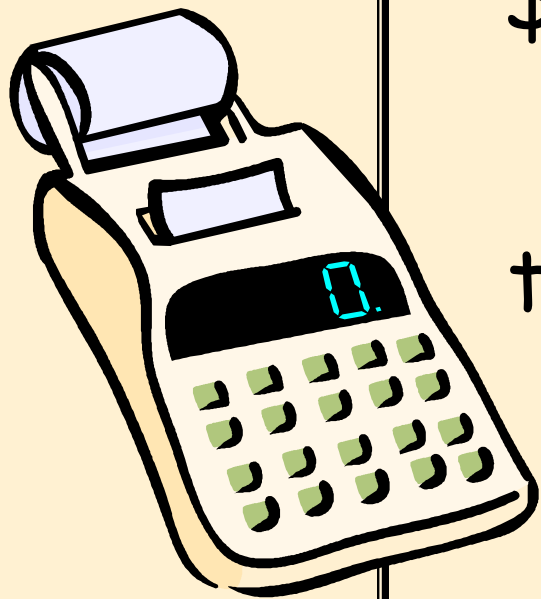
$$\begin{array}{l} \text{Payback} = < 3 \text{ months} \\ (\$32,230 \div \$400 = 80 \text{ days}) \end{array}$$

**Age 55 with 10% spouse discount: \$100 Daily Benefit;
3 year Benefit Period; 5% compound inflation for life**





LTCI vs. Investing



$\$1,074 \times 6\%$ for 30 years

earns \$90,000 BEFORE
taxes and investment fees

vs.

$\$438,000$

(benefit pool in 30 years)

**Age 55 with 10% spouse discount: \$100 Daily Benefit;
3 year Benefit Period; 5% compound inflation for life**





How Does Long-Term Care Insurance Work?



Payment Methods

- Payroll Deduction - Employee, Spouse & Dependent Child
 - Bank draft
 - Credit Card
- Direct Paper Bill

Monthly, Quarterly, Semi-Annually, Annually (8% discount)





How Does Long-Term Care Insurance Work?



Portable

Policy can't be cancelled as long as you pay your premium in a timely manner





How Do I Enroll in LTC-TN?



- Website (www.LTC-TN.com)
 - Rate calculator and electronic signature
- Request an enrollment kit with a paper application from your agency benefit coordinator, or e-mail info@ltcconsultants.com
- Each person completes an application
- Eligible family members can live anywhere in the United States to apply for coverage





What if I Have Questions or Need Help?



Easy! Go to this link and
reserve your personal
tele-consultation with a non-
commissioned licensed
insurance agent:

www.gotltci.com/ltciconsultations/LTC-TN

Your spouse and family members are welcome to be on the call!





Evaluation Form

To record your attendance and help improve this program, please complete the evaluation form on the last page of your handout, tear it off and give it to your presenter before you leave.



Long-Term Care: Is *Your* Family Protected?



Don't miss your one-time opportunity for
guaranteed acceptance with
NO HEALTH QUESTIONS!

